Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

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FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 0765

CONFIDENTIAL GUATEMALA 4407

E.O.11652: GDS TAGS: ETRN

SUBJECT: PAN AMERICAN SITUATION

REF: A) BOWDLER TO LAZAR LETTER OF AUGUST 3, 1973; B) STATE 153450 AND C) GUATEMALA 3674

1. PAN AM REPS WILSON, DAVISON AND PORRAS CALLED ON CHARGE SEPT. 11 TO REPORT GOG HAD REJECTED PAN AM APPLICATION FOR SEPT. 6 SCHEDULE CHANGE. IN REJECTING NEW SCHEDULE GOG SAID PAN AM COULD FLY NEW ORLEANS-GUATEMALA-SAN PEDRO UP TO FOUR DAYS A WEEK BUT ONLY IF THEY DID NOT COMPETE WITH AVIATECA. AS DEPT. AWARE (REF C) PAN AM CUT BACK ITS MIAMI SERVICE AND, ACCORDINGLY, IN ORDER TO CONTINUE TO PROVIDE OUTLET ITS SAN PEDRO SULA CLIENTELE PLANNED EXTEND ITS NEW ORLEANS-GUATEMALA RUN TO SAN PEDRO. DAVISON ADVISED GOG THIS SCHEDULE CHANGE AUG. 3. CHANGE INVOLVED NO INCREASE IN NUMBER OF FLIGHTS TO NEW ORLEANS BUT DID SHIFT DAYS THOSE FLIGHTS OCCUR. AS A RESULT PAN AM ON NEW SCHEDULE WOULD COMPETE WITH AVIATECA ON NEW ORLEANS RUN SOUTHBOUND ON TUESDAY AND NORTHBOUND ON SATURDAY. UNDER PREVIOUS SCHEDULE PAN AM AND AVIATECA FLEW TO NEW ORLEANS ON DIFFERENT DAYS. ACCORDING TO DAVISON COMPETI-TION UNAVOIDABLE IF PAN AM IS TO CONTINUE SERVING SAN PEDRO AND PROVIDE PASSENGERS CONNECTIONS WITH OTHER PAN AM FLIGHTS AS CURRENTLY SCHEDULED.

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2. REJECTION THUS DOES NOT INVOLVE ISSUE OF FIFTH

FREEDOM RIGHTS, ON WHICH PAN AM FEELS IT HAS CONCEDED TO GOG. PROBLEMS REGARDING FIFTH FREEDOM MAY STILL ARISE, HOWEVER, SINCE DEFINITIONAL AGREEMENT STILL HAS NOT BEEN REACHED.

- 3. MESSRS. WILSON AND DAVISON ARE QUITE BITTER OVER REJECTION. THEY FEEL GOG HAS RESOLVED TO EAT AWAY AT PAN AM'S RIGHTS PIECE BY PIECE. THEY HAVE NOT, HOWEVER, DISCUSSED PROBLEM AT MINISTERIAL LEVEL SINCE NOTICE OF REJECTION RECEIVED. WILSON DID INDIATE THAT HE WOULD TRY TO SEE THE PRESIDENT ON INFORMAL BASIS. CHARGE URGED THEM TO PURSUE MINISTERIAL AND HIGHER LEVEL CONVERSATIONS, POINTING OUT THAT AMB. BOWDLER PRIOR TO HIS DEPARTURE HAD ADVISED MIN. OF COMMUNICATIONS OF POSSIBLE CAB COUNTERACTION (REF A) AND THAT MINISTER HAD SEEMED UNIMPRESSED. CHARGE SUGGESTED THAT MOMENT WAS AT HAND FOR WILSON TO UTILIZE ALL CONTACTS HE POSSESSES WITHIN GOG. WILSON AGREED TO DO SO AND PROMISED TO INFORM EMBASSY RE OUTCOME.
- 4. COMMENT: BECAUSE OF TIMING OF DENIAL (GOG REJECTED REQUEST ON SEPT. 6) AND BECAUSE THEY FEEL MINISTER AND VICE MINISTER OF COMMUNICATIONS HAVE GONE BACK ON AGREEMENT INFORMALLY REACHED. WILSON AND DAVISON ARE ONCE AGAIN HIGHLY EMOTIONAL ABOUT PROBLEM THEY CONFRONT. THEY TALK OF "MOMENT OF CRISIS BEING AT HAND" AND NEED TO STOP BEING PUSHED AROUND, I.E., NEED TO CONFRONT GOG SQUARELY WITH POSSIBILITY CAB COUNTERVAILING ACTION. GIVEN FACT THEY HAVE NOT YET ATTEMPTED DISCUSS RECENT GOG DECISIONS AT HIGH LEVELS WE DOUBT THAT THAT EXTREME HAS BEEN REACHED. FURTHERMORE, FACT PAN AM SCHEDULE REVISION WOULD PLACE IT IN COMPETITION WITH AVIATECA ALONE WOULD APPEAR TO WEAKEN PAN AM'S CASE. MAKINGS OF A COMPROMISE ARE FORTUNATELY AT HAND PROVIDED GOG DOES NOT INSIST ON IMMEDIATE ACTION AND PAN AM IS WILLING TO RECONSIDER ITS SCHEDULE. IN RESPONSE TO QUESTIONING WILSON SAID HE WOULD HOPE THAT GOG WOULD AGREE TO PERMIT PAN AM TO OPERATE ITS REVISED SCHEDULE UNTIL OCTOBER 28 (WHEN FALL SCHEDULE BECOMES OPERATIVE) ON THE UNDER-STANDING THAT IN INTERIM PAN AM WOULD REVIEW FEASIBILITY OF SO ALTERING THE FALL SCHEDULE TO AVOID DAILY COMPETITION WITH AVIATECA

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